

## Message Text

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44

ACTION EB-07

INFO OCT-01 ARA-06 IO-11 ISO-00 AGR-05 CEA-01 CIAE-00

COME-00 DODE-00 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04

NSAE-00 NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04

TAR-01 TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01

/097 W

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P R 081605Z JAN 76

FM AMEMBASSY LA PAZ

TO SECSTATE WASHDC PRIORITY 9256

INFO USDEL MTN GENEVA

AMEMBASSY LIMA

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E.O. 11652: N/A

TAGS: ETRD, MTN

SUBJ: MTN: TROPICAL PRODUCTS NEGOTIATIONS

REF: A. STATE 287116 B. LA PAZ A-33 OF 2/28/75

1. REF (A) REQUESTED EMBASSY VIEWS ON TRADE BARRIERS WHICH HOST COUNTRY MIGHT REDUCE OR ELIMINATE AT MTN. IN BOLIVIA'S CASE, EMBASSY BELIEVES THAT SCOPE FOR TRADE CONCESSIONS WHICH US COULD ASK OR WHICH BOLIVIA COULD GRANT IS VERY LIMITED DUE TO COUNTRY'S LOW INCOME (PER CAPITAL OF US\$ 255 IN 1975) AND UNUSUALLY DIFFICULT DEVELOPMENT PROBLEMS CAUSED BY LAND-LOCKED STATUS, MOUNTAINOUS TERRAIN AND LACK OF CAPITAL, INFRASTRUCTURE AND INDUSTRY. ALSO, US FIRMS CONDUCTING BUSINESS IN BOLIVIA REPORT FEW DIFFICULTIES WITH BOLIVIAN TRADE SYSTEM OR WITH DISCRIMINATORY TRADE PRACTICES. HOWEVER, THERE ARE SOME TRADE CONCERNS RELATED TO BOLIVIA'S ROLE IN THE ANDEAN PACT WHICH COULD BE RAISED AT GENEVA WITH THE ANDEAN GROUP. GOB OFFICIALS INFORM US THAT BOLIVIA IS PARTICIPATING IN MTN NEGOTIATIONS THROUGH ANDEAN PACT AND NOT ON LIMITED OFFICIAL USE

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A BILATERAL BASIS. ITEM A BELOW IS SUCH A CASE. ITEM B IS AN

EXAMPLE OF THE TYPE OF NTB WHICH COULD BE ARGUED IS NOT IN BOLIVIA'S LONG-RUN ECONOMIC INTEREST TO MAINTAIN.

(A) DISCRIMINATORY TARIFFS. UNDER ANDEAN PACT COMMITMENT, GOB APPLIES 60 PERCENT TARIFF ON IMPORT OF LIGHT AIRCRAFT. REASON IS CESSNA ASSEMBLY SITE IN COLUMBIA TO SUPPLY ALL ANDEAN PACT COUNTRIES. COLUMBIAN FACILITIES UNABLE TO MEET DEMAND BUT COMPETING US AIRCRAFT FIRMS HAVE DIFFICULTY PENETRATING MARKET DUE TO HIGH TARIFF. ARRANGEMENT NOT ECONOMICAL FOR BOLIVIA, WHICH IS HIGHLY DEPENDENT ON AIRCRAFT FOR INTERNAL TRANSPORTATION.

(B) DISCRIMINATORY GOVERNMENT PROCUREMENT PRACTICES AND RELATED IMPORT EMBARGO. THESE STEM FROM BUSINESS ARRANGEMENTS ENTERED INTO BY THE GOB AND FOREIGN FIRMS. NOTABLE EXAMPLE IS FANATRAM TRACTOR PLANT IN COCHABAMBA. FANATRAM ESTABLISHED NOV 18, 1973 BETWEEN GOB AND FIAT-CONCORDE OF ARGENTINA TO PRODUCE 40-112 HP TRACTORS FOR DOMESTIC USE. AGREEMENT ACCOMPANIED BY BAN ON ALL IMPORTS OF 40-112 HP TRACTORS. SUBSEQUENT GOB DECREE #10879, ISSUED DEC, 1974, DESIGNATES FANATRAM SOLE SOURCE OF GOB PURCHASES OF TRACTORS AND ALLOTS US \$ 150,000 OVER FIVE-YEAR PERIOD FOR GOB PROCUREMENT FROM FANATRAM. CONTRACT COMMITMENT MAY PRECLUDE CHANGE IN GOB - FANATRAM AGREEMENT, BUT CONSIDERATION OF SIMILAR ARRANGEMENTS IN EVIDENCE, REF (B). IT WOULD BE DESIRABLE TO ENCOURAGE BOLIVIA TO AVOID SIMILAR ARRANGEMENT IN FUTURE.

2. EMBASSY REQUESTS MORE INFORMATION ABOUT OR NOTIFICATION DELIVERED TO GOB JUNE 24, 1975 MENTIONED IN GENEVA 6956 OF SEPTEMBER, 1975.  
STEDMAN

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** TRADE, TARIFF BARRIERS, NEGOTIATIONS  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 08 JAN 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** morefirh  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1976LAPAZ00199  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
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**Film Number:** D760006-1187  
**From:** LA PAZ  
**Handling Restrictions:** n/a  
**Image Path:**  
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**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
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**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MTN: TROPICAL PRODUCTS NEGOTIATIONS  
**TAGS:** ETRD, BL, MTN  
**To:** STATE  
**Type:** TE  
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